

ST 03-0095-GIL 07/10/2003 MOTOR VEHICLES

Section 10 of the Use Tax Act, 35 ILCS 105/10, provides that a purchaser of a motor vehicle from an out-of-State retailer shall file a return (Form RUT-25, Motor Vehicle Use Tax Return) with the Department and remit the proper amount of tax due on the selling price of the motor vehicle within 30 days after such motor vehicle is brought into this State for use. (This is a GIL.)

July 10, 2003

Dear Xxxxx:

This letter is in response to your letter dated March 5, 2003. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Over the past couple months I have been in phone contact with several people in your organization and have become quite frustrated with the myriad of contradicting answers I have been given. The intention of this letter is to hopefully receive a qualified written response to questions revolving around the following scenario.

AAA is a registered dealership in the STATE. We are in the process of selling new vehicles to a customer in CITY, IL. Our customer has requested we charge Illinois use tax on our invoice to them, and subsequently remit the tax to the Illinois Department of Revenue on their behalf.

With that said, can you please provide a detailed explanation of the procedure (including tax form(s)) that is required in order to transact the above? Also, as part of your response, please formulate it around the fact that the customer wants to be able to title and register their vehicle on the same day they purchase it.

I greatly appreciate your time and assistance with this matter. Thank you.

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In the situation you describe, the customer wants to purchase a motor vehicle for use in Illinois from a dealer outside Illinois. Therefore, the customer will need to file a RUT-25 and pay the tax when he goes to title and register the motor vehicle.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

MPM:msk